

State of California
AIR RESOURCES BOARD

2016 STATE STRATEGY FOR THE STATE IMPLEMENTATION PLAN

Resolution 17-7

March 23, 2017

Agenda Item No.: 17-3-3

WHEREAS, the Legislature in Health and Safety Code Section 39602 has designated the State Air Resources Board (ARB or Board) as the air pollution control agency for all purposes set forth in federal law;

WHEREAS, ARB is responsible for preparing the State Implementation Plan (SIP) for attaining and maintaining the National Ambient Air Quality Standards (NAAQS or standards) as required by the federal Clean Air Act (the Act, 42 U.S.C. § 7401 et seq.), and to this end is directed by Health and Safety Code section 39602 to coordinate the activities of all local and regional air pollution control and air quality management districts (districts) necessary to comply with the Act;

WHEREAS, Section 39602 of the Health and Safety Code also provides that the SIP shall include only those provisions necessary to meet the requirements of the Act;

WHEREAS, ARB has primary responsibility for the control of air pollution from vehicular sources, including motor vehicle fuels, under Sections 39002, 39500, and part 5 (commencing with section 43000) of the Health and Safety Code;

WHEREAS, Section 41712 of the Health and Safety Code authorizes ARB to control volatile organic compound emissions from consumer products;

WHEREAS, ARB is authorized by Section 39600 of the Health and Safety Code to do such acts as may be necessary for the proper execution of its powers and duties;

WHEREAS, Sections 39515 and 39516 of the Health and Safety Code provide that any power, duty, purpose, function or jurisdiction of the Board which it may delegate to the ARB Executive Officer is presumed to have been delegated unless explicitly reserved by the Board;

WHEREAS, on July 18, 1997, the United States Environmental Protection Agency (U.S. EPA) established the 8-hour NAAQS for ozone of 80 parts per billion (ppb);

WHEREAS, on March 27, 2008, U.S. EPA strengthened the 8-hour ozone NAAQS to 75 ppb;

WHEREAS, effective July 20, 2012, U.S. EPA designated sixteen areas in California as nonattainment for the 75 ppb 8-hour ozone standard, including two Extreme nonattainment areas, the South Coast Air Basin and the San Joaquin Valley;

WHEREAS, on March 6, 2015, U.S. EPA finalized a rule for implementing the 75 ppb 8-hour ozone NAAQS, specifying the SIP planning requirement areas;

WHEREAS, State Implementation Plans for the 75 ppb 8-hour ozone standard were due for most areas on July 20, 2016;

WHEREAS, on July 18, 1997, U.S. EPA established a 24-hour fine particulate matter (PM_{2.5}) NAAQS of 65 micrograms per cubic meter ($\mu\text{g}/\text{m}^3$) and an annual PM_{2.5} NAAQS of 15 $\mu\text{g}/\text{m}^3$;

WHEREAS, on December 18, 2006, U.S. EPA strengthened the 24-hour PM_{2.5} NAAQS to 35 $\mu\text{g}/\text{m}^3$;

WHEREAS, on December 14, 2012, U.S. EPA strengthened the annual PM_{2.5} NAAQS to 12 $\mu\text{g}/\text{m}^3$;

WHEREAS, effective on December 18, 2014, U.S. EPA designated four areas in California nonattainment for the annual PM_{2.5} standard of 12 $\mu\text{g}/\text{m}^3$, including the South Coast Air Basin and the San Joaquin Valley;

WHEREAS, on October 24, 2016, U.S. EPA finalized the PM_{2.5} SIP implementation rule which established the framework and requirements that states must meet in developing PM_{2.5} SIPs based on provisions of Subpart 4 of the Act;

WHEREAS, State Implementation Plans for the 12 $\mu\text{g}/\text{m}^3$ PM_{2.5} standard were due on October 14, 2016;

WHEREAS, the existing control program will provide the reductions needed to bring most nonattainment areas into attainment of the ozone and PM_{2.5} NAAQS;

WHEREAS, further emission reductions beyond those provided through the existing control program are needed for the South Coast Air Basin to meet the ozone standards and for the San Joaquin Valley to meet the PM_{2.5} standards;

WHEREAS, the *Proposed 2016 State Strategy for the State Implementation Plan (State SIP Strategy)*, in combination with local actions, was developed to provide the emissions reductions necessary to meet the ozone NAAQS in the South Coast Air Basin, as well as to provide an initial commitment for meeting the PM_{2.5} NAAQS in the San Joaquin Valley which will be incorporated into the region's PM_{2.5} SIP;

WHEREAS, federal law sets forth, in Section 110(I) of the Act (42 U.S.C. § 4710(I)) and Title 40 of the Code of Federal Regulations (C.F.R.) section 51.102, a requirement that

one or more public hearings, preceded by at least 30 days' notice and opportunity for public review must be conducted prior to adopting and submitting to U.S. EPA any SIP;

WHEREAS, on May 17, 2016, as required by the Act and State law (including the California Environmental Quality Act (CEQA, Pub. Resources Code § 21000, et seq.)), ARB staff circulated for public review and comment the *Proposed State SIP Strategy*, which identified proposed new measures, federal actions needed, and potential long-term concepts that will be evaluated and refined for future SIP revisions, and included, among other things, *Appendix A, Economic Analysis for the Proposed State SIP Strategy (Economic Analysis)*;

WHEREAS, ARB's *Proposed State SIP Strategy* relies on emission reductions from already adopted State control programs and the expected reductions from proposed new measures;

WHEREAS, ARB's regulatory program that involves the adoption, approval, amendment, or repeal of standards, rules, regulations, or plans has been certified by the Secretary for Natural Resources under CEQA (Pub. Resources Code § 21080.5; Cal. Code Regs., tit. 14, § 15251(d)), and ARB conducts its CEQA review according to this certified program (Cal. Code Regs., tit. 17, §§ 60000-60007);

WHEREAS, ARB prepared a draft environmental analysis under its certified regulatory program for the *Proposed State SIP Strategy*, entitled *Draft Environmental Analysis for the Proposed 2016 State Strategy for the State Implementation Plan (Draft Environmental Analysis)*, and circulated it for public review and comment for 60 days from May 17, 2016 through July 18, 2016, as Appendix B to the *Proposed State SIP Strategy*;

WHEREAS, the *Draft Environmental Analysis* concluded that implementing the *Proposed State SIP Strategy* has the potential to result in: beneficial impacts to Air Quality (long term improvement), Energy Demand (long term reductions), and Greenhouse Gas emissions (long term reductions); less than significant impacts, or no impacts, to Hazards and Hazardous Materials (long term), Energy Demand (short term), Greenhouse Gas emissions (short term), Land Use and Planning, Mineral Resources, Population and Housing, Public Services, and Recreation; and potentially significant impacts to Aesthetics, Agricultural and Forest Resources, Air Quality (short term), Biological Resources, Cultural Resources, Geology, Soils and Minerals, Hazards and Hazardous Materials (short term), Hydrology and Water Quality, Noise, Transportation and Traffic, and Utilities and Service Systems;

WHEREAS, on September 1, 2016, ARB staff held a public workshop to discuss the *Proposed State SIP Strategy* and solicit stakeholder input;

WHEREAS, on September 22, 2016, ARB staff presented the *Proposed State SIP Strategy* to the Board to solicit additional stakeholder input, along with Board direction;

WHEREAS, ARB staff considered all of the comments received on the *Proposed State SIP Strategy*, including comments received during the 60-day comment period commencing on May 17, 2016 and running through July 18, 2016, comments received at the September 1, 2016 public workshop to discuss the *Proposed State SIP Strategy*, and the September 22, 2016 public hearing of the Board, and consideration of these comments informed the development of a Revised *Proposed State SIP Strategy*;

WHEREAS, on March 7, 2017 ARB staff released a Revised *Proposed State SIP Strategy* and *Economic Analysis* that incorporated changes based on Board direction, further staff analysis, and public comments;

WHEREAS, staff reviewed written comments received on the *Draft Environmental Analysis* and prepared written responses to those comments in a document entitled *Responses to Comments on the Draft Environmental Analysis Prepared for the Proposed State SIP Strategy (Responses to Environmental Comments)*;

WHEREAS, on March 10, 2017 ARB staff released Appendix B to the Revised *Proposed State SIP Strategy*, titled *Final Environmental Analysis on the Revised Proposed State SIP Strategy (Final Environmental Analysis)*, and the *Responses to Environmental Comments*;

WHEREAS, staff reviewed additional written comments received on the *Environmental Analysis* and prepared written responses to those comments in a document entitled *Supplemental Responses to Comments on the Draft Environmental Analysis Prepared for the Proposed State SIP Strategy (Supplemental Responses to Environmental Comments)*;

WHEREAS, on March 21, 2017 ARB staff released the *Supplemental Responses to Environmental Comments*;

WHEREAS, prior to the duly noticed public hearing held on March 23, 2017, staff presented the *Final Environmental Analysis*, the *Responses to Environmental Comments*, and the *Supplemental Responses to Environmental Comments* to the Board for consideration;

WHEREAS, the Revised *Proposed State SIP Strategy* sets forth a commitment to achieve aggregate emission reductions as specified for each area by specific dates, and a commitment to propose new SIP measures by the dates specified in Attachment A to this Resolution;

WHEREAS, the commitment to achieve aggregate emission reductions is an overall commitment to achieve the total emission reductions necessary to attain the federal air quality standards, reflecting the combined reductions from the existing control strategy and new measures;

WHEREAS, the commitment for aggregate emission reductions may be achieved through the existing control program, measures identified in the *Revised Proposed State SIP Strategy*, alternative measures, incentive programs, and actual emission decreases that occur;

WHEREAS, section 182(e)(5) of the Act provides that SIPs for Extreme ozone nonattainment areas may rely in part upon the development of new control techniques or the improvement of existing control technologies;

WHEREAS, the Revised Proposed *State SIP Strategy* quantifies SIP commitments for two areas: the South Coast Air Basin and San Joaquin Valley;

WHEREAS, the *Revised Proposed State SIP Strategy* includes actions to continue to develop new control techniques and deploy advanced transformational technologies to fulfil in part the aggregate SIP commitment for the South Coast Air Basin, pursuant to Act section 182(e)(5);

WHEREAS, the *Revised Proposed State SIP Strategy* will serve as the basis for additional commitments to reduce emissions in other nonattainment areas, as determined to be necessary by the Board;

WHEREAS, the State SIP Strategy has been revised to quantify the emission reductions in 2025 for the San Joaquin Valley PM2.5 plan due later this year, as reflected in the *Revised Proposed State SIP Strategy*;

WHEREAS, the 2025 PM2.5 commitment for the San Joaquin Valley will go through the necessary public notice process as part of the comprehensive San Joaquin Valley PM2.5 Plan due later this year;

WHEREAS, the Board has considered the *Economic Analysis* that has been prepared for the *Revised Proposed State SIP Strategy*, which further demonstrates that the *Strategy* is appropriate and implementable;

WHEREAS, Appendix B of the *Revised Proposed State SIP Strategy* contains ARB's *Final Environmental Analysis*;

WHEREAS, the *Revised Proposed State SIP Strategy* was made available for public review and comment before the public hearing; and

WHEREAS, current control programs are projected to reduce mobile source NOx emissions in the South Coast by 255 tons per day (tpd) and ROG emissions by 221 tpd between 2012 and 2023, and will also reduce NOx emissions by 286 tpd and ROG emissions by 138 tpd between 2012 and 2031.

NOW, THEREFORE, BE IT RESOLVED, the Board finds that:

1. Additional emission reductions from new SIP measures are needed to protect public health and attain the ozone NAAQS in the South Coast Air Basin;
2. Additional emission reductions from new SIP measures provide sufficient NOx emission reductions to eliminate the need for a Section 182(e)(5) commitment in the San Joaquin Valley;
3. Additional emission reductions from new SIP measures are needed to protect public health and attain the PM2.5 NAAQS in the San Joaquin Valley;
4. The *Revised Proposed State SIP Strategy* would achieve 113 tpd of NOx reductions and 50-51 tpd of reactive organic gases (ROG) reductions in the South Coast Air Basin by 2023;
5. The *Revised Proposed State SIP Strategy* would achieve 111 tpd of NOx reductions and 59-60 tpd of reactive organic gases (ROG) reductions in the South Coast Air Basin by 2031;
6. The *Revised Proposed State SIP Strategy* would achieve 8 tpd of NOx emission reductions in the San Joaquin Valley by 2031;
7. The *Revised Proposed State SIP Strategy* would achieve 6 tpd of NOx emission reductions and 0.1 tpd of PM2.5 reductions in the San Joaquin Valley by 2025, which will be incorporated into the area's upcoming PM2.5 plan to further enhance ozone progress and provide an initial commitment for PM2.5 needs;
8. The *Revised Proposed State SIP Strategy* is consistent with ARB's environmental justice policies and does not disproportionately impact people of any race, culture, or income;
9. None of the revisions made since release of the *Proposed State SIP Strategy* on May 17, 2016 and reflected in the *Revised Proposed State SIP Strategy* alter any of the conclusions reached in the *Draft Environmental Analysis*, or would require recirculation of the *Final Environmental Analysis* under CEQA Guidelines section 15088.5;
10. The *Revised Proposed State SIP Strategy* meets the applicable requirements established by the Act and U.S. EPA regulations.

BE IT FURTHER RESOLVED that the Board directs staff to work with U.S. EPA to ensure U.S. EPA takes action to secure the emission reductions needed to attain air quality standards from sources regulated by U.S. EPA.

BE IT FURTHER RESOLVED that the Board certifies that the *Final Environmental Analysis* was completed in compliance with ARB's certified regulatory program to meet the requirements of CEQA, reflects the agency's independent judgment and analysis, and was presented to the Board whose members reviewed and considered the information therein before taking action to approve the *Revised Proposed State SIP Strategy*.

BE IT FURTHER RESOLVED that the Board approves the *Responses to Environmental Comments*, released March 10, 2017, and the *Supplemental Responses to Environmental Comments*, released March 21, 2017 as shown in Attachment C to this Resolution, and the responses from staff at the hearing on this matter.

BE IT FURTHER RESOLVED that in consideration of the *Final Environmental Analysis*, the *Responses to Environmental Comments*, the *Supplemental Responses to Environmental Comments* and the entirety of the record, the Board adopts the *Findings and Statement of Overriding Considerations*.

BE IT FURTHER RESOLVED that based on the foregoing, the Board adopts the *Revised Proposed State SIP Strategy* as the *2016 State SIP Strategy for the State Implementation Plan (hereafter, the 2016 State SIP Strategy)*.

BE IT FURTHER RESOLVED that the Board adopts the commitment to bring to the Board for consideration the list of proposed SIP measures outlined in the *2016 State SIP Strategy* and included in Attachment A according to the schedule set forth.

BE IT FURTHER RESOLVED that the Board adopts the commitment to achieve the aggregate emission reductions in the South Coast Air Basin outlined in the *2016 State SIP Strategy* of 113 tpd of NO_x reductions and 50 to 51 tpd of reactive organic gases (ROG) reductions in the South Coast Air Basin by 2023, and 111 tpd of NO_x reductions and 59 to 60 tpd of ROG reductions in the South Coast Air Basin by 2031.

BE IT FURTHER RESOLVED that the Board adopts the commitment to achieve the aggregate emission reductions in the San Joaquin Valley outlined in the *2016 State SIP Strategy* of 8 tpd of NO_x reductions in the San Joaquin Valley by 2031 to accelerate progress toward the 75 ppb 8-hour ozone standard.

BE IT FURTHER RESOLVED that the Board directs staff to continue to work with the San Joaquin Valley Air Pollution Control District to identify additional reductions from sources under District regulatory authority as part of a comprehensive plan to attain the PM_{2.5} standards for the San Joaquin Valley, and return to the Board with a commitment to achieve additional reductions from mobile sources.

BE IT FURTHER RESOLVED that the Board directs the Executive Officer to submit the SIP measure schedule included in Attachment A and the SIP commitments for the South Coast Air Basin and the San Joaquin Valley to U.S. EPA for inclusion in the SIP to be effective, for purposes of federal law, upon approval by U.S. EPA.

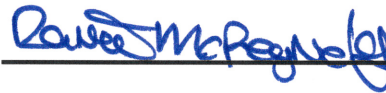
BE IT FURTHER RESOLVED that the Board directs the Executive Officer to take the steps necessary to develop the measures described in the *2016 State SIP Strategy* and included in Attachment A to this resolution for adoption by the Board and submission to the U.S. EPA for submission to the SIP.

BE IT FURTHER RESOLVED that the Board directs the Executive Officer to work with U.S. EPA and take appropriate action to resolve any completeness or approvability issues that may arise regarding the SIP submission. The Executive Officer may present the *2016 State SIP Strategy* to the Board for further consideration if warranted.

BE IT FURTHER RESOLVED that the Board authorizes the Executive Officer to include in the SIP submittal any nonsubstantive, grammatical, or technical corrections or clarifications that may be necessary.

BE IT FURTHER RESOLVED that the Board hereby certifies that the *2016 State SIP Strategy* was adopted after notice and public hearing as required by Section 110(l) of the Act and 40 C.F.R. section 51.102.

I hereby certify that the above is a true and correct copy of Resolution 17-7 as adopted by the Air Resources Board.



Rana McReynolds, Clerk of the Board

Addendum to

2016 STATE STRATEGY FOR THE STATE IMPLEMENTATION PLAN,

RESOLUTION NO. 17-7

**2016 AIR QUALITY MANAGEMENT PLAN FOR OZONE AND PM_{2.5} IN THE SOUTH
COAST AIR BASIN AND THE COACHELLA VALLEY,**

RESOLUTION NO. 17-8

WHEREAS, the Proposed State SIP Strategy and 2016 South Coast Air Quality Management Plan reduce NO_x through measures to accelerate deployment of clean technologies and will require more aggressive incentive and other programs than are in place and funded today;

NOW, THEREFORE BE IT RESOLVED, that ARB staff will report back to the Board within one year on metrics for assessing progress in achieving the necessary reductions outlined in the Proposed State SIP Strategy;

BE IT FURTHER RESOLVED, that ARB staff shall provide an annual report to the Board on implementation of the Proposed State SIP Strategy. This annual report shall include:

1. The development status of each regulation identified in the Proposed SIP Strategy.
2. Specific actions taken to pursue new funding mechanisms.
3. The amount of funding that has been secured to incentivize deployment of the cleaner technologies identified in the Proposed State SIP Strategy.
4. The number of additional vehicles and pieces of equipment upgraded or turned over as the result of incentive funding programs.
5. Investments made in pilot projects and demonstration studies to advance additional technologies, the status of the commercial application of these technologies, potential issues or impediments, and recommendations for further action.
6. Additional progress metrics approved by the Board as provided for above.
7. Identification of further regulatory or emission control strategies to advance technology deployment and achieve emission reductions to ensure requisite progress towards attainment.

BE IT FURTHER RESOLVED, that within 18 months of this date, ARB staff shall develop At-Berth regulation amendments that achieve up to 100% compliance by 2030 for LA Ports and Ports that are in or adjacent to areas in the top 10% of those defined as most impacted by CES;

BE IT FURTHER RESOLVED, that within 24 months of this date, ARB staff shall develop Cargo handling equipment regulations to achieve up to 100% compliance with ZEV by 2030 for the same criteria as above;

BE IT FURTHER RESOLVED, that within 12 months staff shall return to the Board with concepts for an Indirect Source Rule to control pollution from large freight facilities including ports, railyards, warehouses, and distribution centers, as well as any identified alternatives capable of achieving similar levels of emission reductions.

Resolution 17-7

March 23, 2017

Identification of Attachments to Board Resolution

- Attachment A:** Proposed New SIP Measures and Schedule, released to the public on March 7, 2017.
- Attachment B:** Final Environmental Analysis Prepared for the Revised Proposed 2016 State Strategy for the State Implementation Plan, released to the public on March 10, 2017.
- Attachment C:** Responses to Comments on the Revised Draft Environmental Analysis for the Revised Proposed 2016 State Strategy for the State Implementation Plan, released to the public on March 10, 2017 and Supplemental Responses to Comments on the Revised Draft Environmental Analysis for the Revised Proposed 2016 State Strategy for the State Implementation Plan, released to the public on March 21, 2017.
- Attachment D:** Findings and Statement of Overriding Considerations.
(Distributed at the March 23, 2017 Board Meeting)

Resolution 17-7 Attachment A

Proposed New SIP Measures and Schedule

Proposed Measure	Agency	Action	Implementation Begins
On-Road Light-Duty			
Advanced Clean Cars 2	ARB	2020 – 2021	2026
Lower In-Use Emission Performance Assessment	ARB / BAR	n/a	ongoing
Further Deployment of Cleaner Technologies*	ARB / SCAQMD / U.S. EPA	ongoing	2016
On-Road Heavy-Duty			
Lower In-Use Emission Performance Level	ARB	2017 – 2020	2018 +
Low-NOx Engine Standard – California Action	ARB	2019	2023
Low-NOx Engine Standard – Federal Action*	U.S. EPA	2019	2024
Medium and Heavy-Duty GHG Phase 2	ARB / U.S. EPA	2017 – 2019	2018 +
Innovative Clean Transit	ARB	2017	2018
Last Mile Delivery	ARB	2018	2020
Innovative Technology Certification Flexibility	ARB	2016	2017
Zero-Emission Airport Shuttle Buses	ARB	2018	2023
Incentive Funding to Achieve Further Emission Reductions from On-Road Heavy-Duty Vehicles	ARB / SCAQMD	ongoing	2016
Further Deployment of Cleaner Technologies*	ARB / SCAQMD / U.S. EPA	ongoing	2016
Off-Road Federal and International Sources			
More Stringent National Locomotive Emission Standards *	U.S. EPA	2017	2023
Tier 4 Vessel Standards *	ARB / IMO	2016 – 2018	2025
Incentivize Low Emission Efficient Ship Visits	ARB	2018 – 2020	2018 +
At-Berth Regulation Amendments	ARB	2017 – 2018	2023
Further Deployment of Cleaner Technologies*	ARB / SCAQMD / U.S. EPA	ongoing	2016
Off-Road Equipment			
Zero-Emission Off-Road Forklift Regulation Phase 1	ARB	2020	2023
Zero-Emission Off-Road Emission Reduction Assessment	ARB	2025 +	--
Zero-Emission Off-Road Worksite Emission Reduction Assessment	ARB	tbd	--
Zero-Emission Airport Ground Support Equipment	ARB	2018	2023
Small Off-Road Engines	ARB	2018 – 2020	2022
Transport Refrigeration Units Used for Cold Storage	ARB	2018 – 2019	2020 +
Low-Emission Diesel Requirement	ARB	by 2020	2023
Further Deployment of Cleaner Technologies*	ARB / SCAQMD / U.S. EPA	ongoing	2016
Consumer Products			
Consumer Products Program	ARB	2019 – 2021	2020 +

* Request U.S. EPA approval under the provisions of Section 182(e)(5) of the Clean Air Act allowing for reliance on anticipated development of new control techniques or improvement of existing control technologies. Also includes identification of needed funding, infrastructure development, and actions/resources required from other agencies